

limited the rate of interest outside the Bank of England to five per cent., prevented loans of private capital, which might have been willingly made at seven, eight, or ten per cent. The very desperateness of the situation brought its own remedy<sup>r</sup> in time by forcing the sale of commodities at a ruinous loss, which brought foreign capital pouring back into England in the purchase of goods. The directors of the bank changed their course on Wednesday, enlarged their issues to solvent borrowers, and almost in a moment the panic was stayed in London.

The bank issued upwards of £5,000,000 in notes, between Wednesday and Saturday, by advances on stock and Exchequer bills as well as by discounts,—in the language of Mr. Jeremiah Harman, one of the directors, "by every possible means consistent with the safety of the bank ; and we were not, upon some occasions, over-nice." The coin in the vaults of the Bank of England scarcely exceeded £1,000,000 on Saturday night of this eventful week and the influence of the panic had not been fully stayed throughout the country. The clamor for gold was stilled, however, by the free issue of notes and a box of £1 notes was sent down into the country. The Gurneys, who did business at Norwich, displayed piles of notes many feet thick on their counters and prevented a run by the confidence which this exhibition inspired. The aid of the Bank of France was sought and a credit for £2,000,000 opened on three months bills.<sup>1</sup> The sum of £400,000 arrived from France in gold on Monday, the 10th, but the deputy governor of the Bank of England had already given the assurance to Lord Liverpool on Saturday evening that the danger was over in the city and that quiet would soon be restored in the country.

The crisis of 1825 was an essentially English crisis, because loanable capital was more plentiful in England than elsewhere and the speculative mania was mainly confined to the London market. The solidarity of the world's markets was indicated, however, by the appeal to the Bank of France

<sup>1</sup> Levi, 188.